

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Department of Insurance and Securities Regulation**

Anthony A. Williams  
Mayor



Lawrence H. Mirel  
Commissioner

In the Matter of

Barbara J. Byrd

)  
)  
) BEFORE THE DEPARTMENT OF INSURANCE  
) AND SECURITIES REGULATION  
)  
)  
) Order No. CO-03-01  
)

**CONSENT AGREEMENT AND SETTLEMENT ORDER**

This Consent Agreement is made and entered into this \_\_\_\_\_ day of March, 2003, between and among the Department of Insurance and Securities Regulation ("Department") and Barbara J. Byrd ("Respondent")

Whereas, between the period of April 28, 1998 and October 23, 2001, Respondent held a general securities agent license in the District of Columbia (CRD# 1749334);

Whereas, between the period of August 1, 2001 and present, Respondent has held an insurance producer license (AI 170325) for the following lines of insurance in the District of Columbia: Life, Health Accident, Health or Sickness, and Variable Life and Variable annuity products;

Whereas, from Jan. 1999, until Nov. 9, 2000, Respondent held the positions of chapter tamiouchos for XI Zeta Omega Chapter, Alpha Kappa Alpha Sorority Incorporated, and treasurer of Xi Zeta Omega Foundation ("sorority");

Whereas, Xi Zeta Omega Chapter of Alpha Kappa Alpha Sorority, Incorporated, and Xi Zeta Omega Foundation maintained two checking accounts in Sun Trust Bank of which Respondent had the responsibility and authority to maintain the books and accounts and financial records;

Whereas, on March 25, 2002, pursuant to D.C. Official Code § 31-5606.01 et seq., an investigation into the activities of Respondent as treasurer was conducted by the Department's fraud bureau in response to a referral that it received from the National Association of Securities Dealer Regulation, Inc. (NASD);

Whereas, that investigation revealed the following:

1. During the examinations of Citicorp Investment Services, NASD discovered that in December 2000, Travelers Property Casualty Group, which is

an affiliate of Citicorp, received a Proof of Loss form from the Xi Zeta Omega Chapter of the Alpha Kappa Alpha Sorority, Inc.;

2. The financial records of the cancelled checks and bank statements of Xi Zeta Omega Chapter of Alpha Kappa Alpha Sorority, Incorporated, and Xi Zeta Omega Foundation showed that Respondent wrote and cashed checks made out to herself while in the position of treasurer;

3. Respondent, while acting in the capacity of the sorority's treasurer, Respondent received cash as well as received money via debits, money orders, and withdrawals in excess of \$15,500 from the Chapter account and in excess of forty thousand dollars (\$40,000) from the Foundation account;

4. Respondent did not have the authority to withdraw the funds from the sorority accounts for personal and non-sorority related purposes;

5. It was found that Respondent forged her signature on all of the unauthorized checks she had written;

6. Respondent concealed statements from sorority members regarding the misappropriated funds from the accounts;

7. The Department's investigation revealed that Respondent, misappropriated sixty four thousand three hundred eighty dollars and thirty cents (\$64,387.30) from the chapter's bank accounts during the period between February 1999 and November 2000;

8. XI Zeta Omega Chapter, Alpha Kappa Alpha Sorority Incorporated, and Xi Zeta Omega Foundation received a bond payment in the amount of twenty thousand dollars (\$25,000) to recover the loss that it has incurred as a result of Respondent's fraud;

9. On Jan. 17th 2001, Respondent entered into an agreement with XI Zeta Omega Chapter, Alpha Kappa Alpha Sorority Incorporated, and Xi Zeta Omega Foundation whereby she assumed full responsibility for the misappropriated funds during the period February, 1999 through January, 2000 and agreed to abide and fulfill the terms, conditions in a promissory note for the amount of the misappropriated funds, less bond payment;

10. The Respondent remitted the sum of Twenty Thousand Dollars (\$20,000) to XI Zeta Omega Chapter, Alpha Kappa Alpha Sorority Incorporated, and Xi Zeta Omega Foundation with the execution of the Letter of Intent agreement as payment toward the misappropriated funds balance and agreed to pay the principal amount of the promissory note in the amount of Eighteen thousand five hundred (\$18,500) in equal monthly installments of Five Hundred dollars (\$500.00) beginning March, 2001 until the balance is paid in full;

11. To date, Respondent has made one payment in the amount of twenty thousand dollars (\$20,000), and three payments in the amount of five hundred dollars (\$500.00) pursuant to the agreement that she made with the sorority;

12. Respondent is still indebted to XI Zeta Omega Chapter, Alpha Kappa Alpha Sorority Incorporated, and Xi Zeta Omega Foundation in the amount of eighteen thousand five hundred dollars (\$18, 500) pursuant to her agreement;

Whereas, the Respondent is remorseful for her actions and wishes to resolve alleged violations by entering into a Consent Agreement with the Department of Insurance and Securities Regulation, subject to the approval of the Department's Commissioner, as follows:

A. The Respondent waives her right to further notice and hearing in this matter pursuant to the provisions of the District of Columbia Administrative Procedure Act, D.C. Code § 1-1509(a) (1992); Insurance Agents and Brokers Licensing Act, D.C. Code § 35-1326(a) (1997), the Securities Act of 2000, D.C. Code § 31-5601 et seq., and Title 26 Sections 100.4 and 101 et seq. of the District of Columbia Municipal Regulations (hereinafter "DCMR");

B. Respondent agrees that the Department has sufficient evidence to demonstrate that Respondent has engaged in unethical and dishonest practices in violation of D.C. Official Code § 31-5602.07(9), and has been incompetent, untrustworthy, and financially irresponsible in violation of D.C. Official Code § 31-5602.07(14), and that Respondent has used fraudulent, coercive, and dishonest practices in violation of D.C. Official Code § 31-806(a) (9);

C. Respondent agrees to voluntarily surrender her general securities agent license (CRD# 1749334) and her insurance producer license (AI 170325) in the District of Columbia and shall not be entitled to re-apply for any license with the Department of Insurance and Securities Regulation until full restitution in the amount of Eighteen thousand five hundred dollars (\$18,500) has been paid to Xi Zeta Omega Chapter of Alpha Kappa Alpha Sorority, Incorporated, and Xi Zeta Omega Foundation; and until Respondent has sufficiently demonstrated a fitness to be licensed in the District of Columbia;

D. Respondent shall provide the Commissioner with a copy of all payments made to Xi Zeta Omega Chapter of Alpha Kappa Alpha Sorority, Incorporated, and Xi Zeta Omega Foundation; and shall notify the Commissioner in writing when restitution has been made in full;

E. Respondent agrees to make full restitution to Xi Zeta Omega Chapter of Alpha Kappa Alpha Sorority, Incorporated, and Xi Zeta Omega Foundation within a period of (1) year from the date of this Order, or agrees to pay an Administrative fine of Five Thousand Dollars (\$5,000).

Whereby the Department of Insurance and Securities Regulation shall consider full restitution by Respondent as settlement of all outstanding matters alleged in this agreement, and shall not seek any further action against Respondent based on the allegations contained within this Consent Agreement and Order.

Dated: District of Columbia

\_\_\_\_\_, 2003

DEPARTMENT OF INSURANCE AND SECURITIES REGULATION

By: \_\_\_\_\_ /s/  
Lilah R. Blackstone  
Attorney, Office of Legal Affairs

By: /s/  
Barbara J. Byrd

APPROVED and so ORDERED:  
In Witness Whereof, I have hereunto  
set my hand and affixed the official seal  
Of this Department in the District of  
Columbia, this \_\_\_\_ day of March , 2003.

/s/  
\_\_\_\_\_  
Lawrence H. Mirel, Commissioner